IG RiverCruise position paper on the situation of the Western European river cruise business environment
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We are attempting to address consistently repeated allegations by the press or questions from other stakeholder groups that have not been clearly answered. A one-hour press conference does not afford enough scope to explain the complex river cruise business environment. We welcome longer discussions or are also willing to offer tours of ships at any time!

1. River cruises

The river cruise industry has become extremely complex. Some government agencies find it difficult to understand the structures, or their internationality, and to act accordingly.

- The tourism type "river cruises" has existed since the 1960s (KD on the Rhine or Russian providers in Russia). The industry has undergone a veritable boom since the opening of the Main Danube Canal (1992). In 1995, almost 50 ships were in use; this number has now risen to more than 300!

- Today's river cruise industry is an international industry. A ship travelling from Amsterdam to Budapest crosses the Netherlands, Germany, Austria, Slovakia and Hungary. Such a ship may be sailing under a Swiss flag, for example, but its crew may have Cypriot employment contracts. This represents one of the biggest challenges for the operators; dozens of laws apply, from the German Minimum Wage Act to the Dutch tax on luxuries or Hungarian VAT – every country will find something it can charge them for, or some rule or other they must comply with.

- The cruise lines generally aim to sail on international (or, in the case of France, national) waterways, and to offer their guests a relaxed way to travel across Europe. This has led to an increased number of guests travelling to Europe from overseas, especially from the USA but also from Australia. These guests particularly appreciate this easy and comfortable way to travel as an alternative to the coach tours that were common in the past. This also leads to a huge reduction in road traffic, especially in the cities, and therefore inherently to a more environmentally-friendly form of tourism.

2. Operating systems on the ships

Allegation: the cruise lines intentionally keep their business activities non-transparent!

- In contrast to the early days, when a ship owner also dealt with the hotel management, the technology and the nautical aspects without outside assistance because they owned only one or only a few ships, a much greater number of major players with larger fleets are now active in this business. Over time, this has resulted in specialisations in one of the various areas of responsibility that permit different business models and combinations. The following stakeholders may generally participate in this business:
  - Those who own the ship (private person, bank, leasing company, investment company, tour operator or their European subsidiary)
The management company that is responsible for the nautical aspects and the technology (supplies nautical crew, looks after the running of the ship, the realisation of the itinerary and berthing reservations etc.). This company may be registered in any European country.

The management company that is responsible for the hotel area (supplies the hotel crew, who may hail from European or non-European countries, looks after the running of the hotel aboard and all employment law related issues with respect to the hotel crew). This company may be registered in any European country; however, due to historical developments, it will usually be registered in Switzerland, Cyprus or Malta.

The tour operator, who usually charters the ship from the owner for several years and ensures that there are guests who travel on the ship. The tour operator may be registered in any country, including the USA or Australia, for example.

3. Environmental protection

River cruise ships run on heavy fuel oil, empty their waste as well as their toilets, directly into the water and are responsible for a lot of particulate pollution!

These accusations are not unfounded. Granted, 40 years ago, river cruise ship operators certainly weren’t particularly environmentally conscious, and eco-friendliness was not yet a priority for the standard propulsion systems of that era.

A lot of time has passed since then, and the river cruise ship industry, just like the automotive and the aeronautics industry, is facing increasing pressure from government bodies and the public to make its propulsion systems and life on board as environmentally compatible as possible. The local residents, government bodies and Greta are making sure that not a day goes by without cruise line managers having to address these questions.

In actual fact, quite a lot is happening:

- For a while now, they have been separating their waste to be disposed of in a form that is as compacted as possible at collection points that have been made available on shore.
- Sewage (toilet waste and black water) is cleaned with the aid of modern on-board treatment systems. A range of filtration stages ensures that rough elements can no longer reach the water.
- Increasingly higher volumes of emissions are treated before they are blown into the air. Dark clouds of soot will soon be a thing of the past.
- Plastic free ships: Several cruise ship operators are already working on banning disposable plastics/plastic wrappers (drinking straws, packaged soaps and gifts etc.) from their ships.
- Heavy fuel oil is not used on rivers. Our ships run on the less harmful marine diesel. The more modern ships are also equipped with additional electric engines.
- Further development stages the industry is currently intensively focusing on, some of which are also already in use: exhaust gas cleaning systems, the HyMethShip system (https://www.hymethship.com/, almost zero-emission engines), gas-to-liquid fuels. On the Douro river, they are trialling a fully electric ship (the hurdle: charging stations on shore!).
The industry invests a lot of money into making its fleets sustainable. Of course, this doesn’t just take a year or so. These are development processes that progress gradually and call for high investment levels. Older ships are also no longer suitable for conversion due to a lack of space.

The industry has signed an agreement with the Austrian Federal Minister for Sustainability and Tourism regarding its commitment to ensuring that the environment and the Danube are not harmed.

We are fighting for the recognition of our industry’s efforts in responding to the call for sustainable operation and are tired of constantly being blamed for past sins. We have understood the message, and we are working on a solution.

4. The crew aboard ship and the way they are treated

**Allegation: "Slave labour" - statement: anyone that uses the word "slaves" when talking or writing about the crew of a cruise ship has not done their research properly!**

- The success of this way of travelling and the increased number of ships also means that a large number of qualified crew members are needed. At a rough guess, 12,000 hotel crew and approx. 2,500 people who work in the nautical area are employed in the river cruise industry on European waterways.

- In order to meet these crew requirements, staff are recruited from countries all over the world, although they primarily hail from traditional seafaring nations (ocean as well as river). Most of them come from Eastern Europe, some Asian countries and a few Central European countries such as the Netherlands or France.

- Numerous efforts have been made in the past, and are still ongoing – also in cooperation with employment offices and within the scope of back-to-work schemes – to recruit crew from Germany, or Spain or Portugal, for example. However, job seekers from these countries show little or no interest in working aboard a ship.

- On modern ships, two crew members share a cabin, which is naturally located on the lowest deck as the other decks are reserved for the paying passengers. However, the standard of the crew board and accommodation has considerably improved over the past few years. All cabins are now equipped with some form of window, for example; there are crew messes that serve varied food, and on some ships, there is even an outdoor area reserved for the crew. Of course, there are also older ships where the accommodation is less comfortable: it may therefore still happen even today that three or four crew members share a cabin (incidentally, such conditions are considerably more often the case on ocean cruise ships and in the hotel business on land). However, there are progressively fewer of these older ships. The crew are informed about the on-board accommodation conditions in the course of their job interviews.
• The hierarchical structures aboard a ship that sails down rivers are no different to those aboard an ocean cruise ship or in the hotel area of the hospitality industry on land. The physical proximity of the teams and the fact that the crew members cannot simply go home to their families at the end of the working day engenders a strong focus on the quality of life aboard and poses a particular challenge in terms of the management of such teams, which also has a very direct impact on the quality of the product and the service offered. Modern management methods are applied, and many companies have internal departments that are responsible for the training and personal development of the crew members in order to achieve as much stability as possible and to keep the fluctuation rates low. Compared to ocean cruise ships, where contracts for working periods of three to four months without a day off are the norm, many companies in the river cruise industry offer paid holidays during the season, thereby making it possible for the crew members to regularly go home to visit their families.

5. The employers – and their "criminal practices"

The government agencies publicly state that "some of the employers circumvent the laws and are therefore in fact criminals". This is a general vilification that is neither fair, nor proven, nor necessary.

• Together, the large management firms in this market (e.g. River Advice, G&P, sea chefs) employ around 4,000 staff on the rivers. These companies – which also include the largest river cruise line operators – cannot afford to do business "criminaly" or to "circumvent the laws". In two cases, their customers also include major German ocean cruise lines, and it would be disastrous if the reputation of these companies were damaged. Generally speaking, the following applies in these companies: if an inspection uncovers a mistake or mismanagement, they will act immediately and rectify the mistake. All other claims are simply false.

• Granted, there may be some "black sheep" – who are maybe even members of the IGRC – however, at the most, they may intentionally make false statements or do so for a particular purpose. We are not aware of any – and the government agencies also do not share this information with us. If we were aware of such "black sheep", we would act immediately and seek a dialogue.

• Employers are not a priori "criminals" if they do some research and offer the employment conditions that benefit them the most. These include, for example, Cypriot employment contracts, as Cyprus has the respective training structures and infrastructure due to its long seafaring tradition. Equally, the crew may have Swiss employment contracts due to that country's extensive experience with cruises on the Rhine and the fact that these contracts enjoy a high level of acceptance from crew. However, all of this is legitimate – in our opinion – and common practice in all other industry sectors: we are an industry that works internationally, and seek the best way for the individual companies, at least within the EU, where the "freedom to provide services" can generally be assumed to apply, which can also always be to the advantage of the crew.

• Behind every cruise line and every management company, there are people that are well-known and also know each other; they network several times a year, for example at the IGRC meetings or at international shipping conferences. There are no "straw men" or "secret investors". This is a small and easily monitored sector. Entering this market calls for extremely high investments, which makes the business uninteresting for short-term speculations.
6. Cyprus, Malta, Switzerland?

The crew on the ships have employment contracts with Cypriot, Maltese or Swiss companies, or with French firms – for reasons of exploitation, profit maximisation or in order to minimise the wage costs?

- Employment contracts with companies from different countries are based on the fact of the respective local expertise in this sector and are not the result of attempts to minimise the wage costs. Cyprus, for example, is traditionally a seafaring nation that offers excellent training in this industry and has a well-organised infrastructure that makes it possible for companies in our industry sector to cope better with the above-explained challenges faced by an internationally active company. The same applies to Switzerland, where the Rhine has been sailed for many years, which therefore offers good conditions for establishing a company.

7. Visas

Crew members from Asia need visas – we often read that they are employed on "tourist visas". This is wrong and – due to the respective inspections – not actually feasible!

- Crew members from non-European countries need visas in order to work on the ships. Germany is one of the countries that issues such visas. Cruise lines and management companies that employ Indonesians, for example, make every effort to procure such visas within the scope of the law. Unfortunately, Switzerland, for example, is not yet willing to issue visas if the company is registered in Switzerland. Only crew members who work on ships that dock in Switzerland and also have a Swiss employment contract are given leave to stay.

- Crew members from non-European countries without visas have no chance of obtaining leave to stay on the ships. The fact that they have no valid visa would immediately be noticed during the regular inspections, and they would be deported.

8. Minimum wages

"Football club FC Bayern earns 4,087,000 euros per home game (i.e. an audience of 75,000 who have each paid an average price of 54.50 euros per ticket!" - this statement is about as true as "The hourly wage on a ship is 2.85 euros" (according to newspaper Passauer Neue Presse))!

- The wages in the contracts are usually the net wages. This means that the minimum the crew members are paid is the wage stated in the contract. Costs such as health and accident insurance, state pension contributions and income tax, which is taxed at source, have already been deducted.

This means: in order to compare these net wages reliably to gross salaries, the usual mental reference value in Germany, for example, around 30 - 50 % would have to be added to the net figures - depending on the applicable tax and social security contributions.
• Of course, the cruise lines comply with all of the applicable minimum wage legislation such as Germany's Minimum Wage Act, for example.

On top of their wages, the crew receive various monetary and non-monetary benefits: board and accommodation (common in the hospitality industry), a uniform, a share of the tips, their travel expenses from their home address to the ship and back, and pro rata holiday pay. These vary from company to company. Due to the competition between employers, we cannot publish any precise figures here. However, the payments comply with the respective laws.

9. Working hours

This is a challenge for the entire hospitality industry. There are times on ships when the crew has to work considerably longer than eight to ten hours a day. However, this is only temporary and certainly not “for weeks on end”.

• The following factors may lead to temporarily increased working hours for a crew member on the ships:
  o The crew fluctuation is highest at the beginning of a season. Crew members realise that "the job doesn't suit them after all", or feel they can't physically cope with the work, and simply don't turn up for work anymore. This means that a ship may be "undercrewed" for short periods. This may only happen in the hotel area; by law, there must always be a certain number of nautical crew on board. The logical consequence of people quitting without notice is that the remaining hotel crew has to temporarily work longer hours until replacements have been recruited.
  o It may also happen that one or several trips are declared to be "VIP trips". Obviously, the crew are expected to do their utmost to make sure that the guests are impressed by their employer.
  o They are compensated for such overtime as soon as possible with time off in lieu. However, it is hardly a realistic option to spend this time off away from the ship.
  o Many jobs on board are extremely irregular: a bartender, for example, is on duty around lunchtime, maybe during afternoon tea and then in the evenings at the bar. The hours in between are spent resting.
  o For space reasons, the employers cannot simply employ three more people as backup. On peak days, the team on board is expected to cope, just the way they would have to in a restaurant on land.
  o Employer and employee organisations, the industry and the cruise lines have collaboratively worked on improving this problem for years, which has led to the development of the European working time directive that applies today. On many ships, the working hours are closely monitored in order to manage the time the crew spend on duty.
  o The respective government agencies have been focusing on the working hours and conditions aboard for some time now, and are monitoring them increasingly more closely.
– it is therefore certainly not the case that there could be any kind of permanent deficiency on board that is being covered up which the tabloids would be duty-bound to bring to the public's attention.

However, another fact is that the crew members want to work as much as possible, either because they identify with the company, the work and the team and want offer the best service possible, or because they want to earn as much as they can in order to build a house with their savings back home, to support their family or because they have other goals. Days off on board are not particularly popular with the crew as it does not make sense for a Ukrainian crew member, for example, to leave the ship for this "day off". In fact, it is in the crew member's interest to save up such days off in order to then be able to spend as much time as possible with their family at home once the season is over. The crew therefore prefer to accumulate their days off in favour of longer holidays or because it allows them to finish the season earlier.

10. Social security contributions

*Allegedly, the hotel crew on river cruise ships get around paying proper social security contributions, for example with constructs in Liechtenstein.*

- All crew members pay social security contributions in the country where the company is registered. This is the law.

- If an employer prefers one of the global social security solutions offered by insurance companies as an alternative to the statutory social security insurance in the respective country as this will benefit the crew members more, they are permitted to do so. A reputable globally acting Swiss health insurance solution provider can gain access to the EU via Liechtenstein. Allianz also offers a global insurance solution for crew members. According to our information, this Allianz insurance solution is registered in Ireland and therefore hardly dubious.

11. Ship and crew inspections

*The magic word is "Aquapol!" Europe's water police forces collaborate on catching criminals on the rivers! The government agencies regularly inform the media about such Aquapol missions; however, the subsequent reporting is not always well-balanced and well-informed.*

- The industry generally appreciates these inspections as they lead to the elimination of illegal practices and therefore ensure that all market stakeholders operate under the same conditions. We therefore welcome the Aquapol missions and are generally cooperative.

- What makes our work more difficult is the fact that we cross many different countries and are therefore confronted with just as many laws, and have to continuously change the way we work to comply with these laws. It seems to us that this fact is not taken into account during the AQUAPOL inspections, or that the officers are sometimes unsure of the regulations in the individual countries. After every inspection, comprehensive explanations are necessary in order to prove that the cruise lines are not intentionally covering anything up.
• The Aquapol officers are increasingly often accompanied by representatives of the media who then come to sensational conclusions that are hardly realistic, in view of the complex issues explained above. We believe that this is neither truly professional journalism – which we are always open to – nor an acceptable practice on the part of a government agency.

• We are more than willing to promote well-informed and well-balanced reporting with explanations and classifications that can usually only be supplied by experts.

12. The IGRC (European River Cruise Association)

The IGRC, which was established eighteen years ago, and its members decided to get together in order to improve the framework conditions for river cruise operators, to create more transparency and to at best jointly address any problems. – The IGRC is purely an "association" and does not have any legal authority!

• The association represents 240 ships and therefore around 65 percent of the ship operators, including management companies.

• IG RiverCruise cannot be a contract partner for unions. The association’s legal form does not permit this, nor does it comply with the statutes agreed by its members.

• The unions should in fact enter into negotiations with the individual market stakeholders if they are of the opinion that their employees are being "exploited like slaves".

• IG RiverCruise's envisaged aim could at most be a "Code of Conduct". This has already been discussed several times and also implemented.

• The IGRC serves as a point of contact for media representatives and experts if they want to report on the topic of river cruises. The IGRC can, for example, supply figures and background information, put them into contact with reputable interview partners and approach its members with regard to filming permissions, opportunities for joining a cruise, stock material etc.

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